

Message Text

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16

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

EA-10 FRB-01 INR-07 IO-10 NEA-09 NSAE-00 OPIC-06

SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00

PM-03 H-02 L-02 NSC-05 PA-02 PRS-01 SS-15 USIA-15

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P R 281653Z FEB 75

FM AMEMBASSY BERN

TO SECSTATE WASHDC PRIORITY 329

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS BERN 0929

E.O. 11652: N/A

TAGS: EFIN, SZ

SUBJECT: NATIONAL BANK LOWERS DISCOUNT RATE

1. OFFICIAL OF SWISS NATIONAL BANK (SNB) HAS INFORMED EMBASSY THAT EFFECTIVE MARCH 3, 1975, DISCOUNT RATE WILL BE REDUCED FROM 5.5 TO 5.0 PERCENT. LOMBARD RATE REMAINS UNCHANGED AT 6.0 PERCENT.

2. BANK OFFICIAL SAID DOWNWARD TREND OF US AND EURO-MARKET INTEREST RATES HAS PROMPTED SNB TO CUT DISCOUNT RATE IN ORDER TO KEEP SWISS RATES BELOW INTERNATIONAL LEVELS. REDUCTION ALSO IN ACCORD WITH TREND OF SWISS SHORT-TERM INTEREST RATES WHICH HAVE DROPPED CONSIDERABLY IN RECENT WEEKS. OFFICIAL ALSO SAID CHANGE IN DISCOUNT RATE DID NOT RPT NOT MEAN ANY CHANGE IN DOMESTIC MONETARY POLICY AS OUTLINED
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BY SNB PRESIDENT LEUTWILER IN JANUARY (SEE ITEM 5,

BERN A-3). AT THAT TIME LEUTWILER SAID MONEY SUPPLY
WOULD BE ALLOWED INCREASE APPROXIMATELY 6 PERCENT
DURING 1975 AND CREDIT RESTRICTIONS WILL REMAIN IN
FORCE BUT WILL BE ADMINISTERED MORE FLEXIBLY.
DAVIS

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NNN

Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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To: STATE
Type: TE
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